FILED

961295 DEC 30 1996

OFFICE OF THE CLERK

No.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1996

SUNBURST PRODUCTS, INC.,
d/b/a FREESTYLE U.S.A.,
Petitioner,

vs.

CYRK INTERNATIONAL PROSPEROUS ENTERPRISES
(Taiwan Ltd.), EVER WIN BAGS CO., LTD. and
GLORRIEUX INDUSTRIAL, LTD.,
Respondents.

PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

PETITION FOR WRIT OF CERTIORARI

Of Counsel
ROBERT J. ROSE
ROSE & BRUTOCAO
225 South Lake Avenue
9th Floor
Pasadena, California 91101
(818) 683-8787

SURJIT P. SONI
Counsel of Record
SHELDON & MAK, INC.
225 South Lake Avenue
9th Floor
Pasadena, California 91101
(818) 796-4000

Attorneys for Petitioner

Lawyers Brief Service • Appellate Brief Printers • (213) 613-1013 • (714) 720-1510

55 pp

QUESTIONS PRESENTED

1. Is a design found by a jury to be inherently distinctive and held to be novel, unique, unusual and even memorable by the Court of Appeals for the Federal Circuit, nevertheless unprotectable as trade dress under the Lanham Act without further proof that the design intrinsically identifies its source?

2. Is evidence of the novelty, uniqueness unusuality and memorability of a design, together with evidence of intentional copying sufficient to support a jury's finding that a trade dress is inherently distinctive?

PARTIES TO PROCEEDING

All parties to the proceeding below are set forth in the caption to the case. Pursuant to Rule 29.1 of the Rules of this Court, Petitioner states that it does not have any non-wholly owned subsidiaries, or any parent corporations.

CYRK International is now called CYRK, Inc.

TABLE OF CONTENTS

Page(s)

QUESTIONS PRESENTED i

PARTIES TO PROCEEDING ii

OPINION BELOW 1

JURISDICTION 2

STATUTORY PROVISION INVOLVED 2

STATEMENT OF THE CASE 2

REASONS FOR GRANTING THE PETITION 9

SUMMARY OF THE ARGUMENT 9

ARGUMENT 11

I. THERE REMAINS A REAL AND EMBARRASSING CONFLICT AT THE COURT OF APPEALS LEVEL OVER THE STANDARD OF EXTENDING PROTECTABILITY TO INHERENTLY DISTINCTIVE TRADE DRESS, DESPITE THIS COURT'S DECISION IN ***TWO PESOS***. 11

A. The Conflict Amongst The Circuits 11

1. The Standards Applied In the Second Circuit 12

2. *The Standards Applied In The Third Circuit* 13

3. *The Standard Applied In The Fourth Circuit* 14

4. *The Standards Applied In The Seventh Circuit* 14

5. *The Standards Applied In The Eighth Circuit* 15

6. *The Standard Applied In The Ninth Circuit* 16

7. *The Standard Applied In The Tenth Circuit* 16

8. *The Standards Applied In the Federal Circuit* 16

9. *The Standards Applied In This Action* 17

B. The Need for Uniform National Standard . . 18

II. PETITION FOR *CERTIORARI* SHOULD BE GRANTED SO THAT THIS COURT MAY EXERCISE ITS SUPERVISORY POWERS TO SET ASIDE THE JUDGMENT OF THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT, WHICH IS REPUGNANT TO THE DECISION OF THIS COURT AND INCONSISTENT WITH THE ACCEPTED AND USUAL COURSE OF JUDICIAL PROCEEDINGS. 23

A. The Federal Circuit Has Failed to Follow the Decision of this Court in *Two Pesos*. 24

B. The Federal Circuit Has Failed to Apply Ninth Circuit Law In the Standards for Determining Inherently Distinctive Trade Dress. 24

C. The Federal Circuit Departed From WellEstablished Principles Limiting the Scope of Review Adopted by this Court and Routinely Applied in the Ninth Circuit, Failing to Consider all Evidence of Record and by Substituting its Own Assessment of the Evidence for that Made by the Jury in the Case. 26

CONCLUSION 29

APPENDIX A
JUDGMENT,
UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT,
DATED SEPT. 30, 1996 . . . . . A-1

APPENDIX B
OPINION,
UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT,
DATED SEPT. 30, 1996 . . . . . B-1

APPENDIX C
JUDGMENT,
UNITED STATES DISTRICT COURT,
CENTRAL DISTRICT OF CALIFORNIA,
DATED NOV. 17, 1994 ..... C-1

APPENDIX D (Separately Bound and Lodged)
JUDGMENT ON SPECIAL VERDICT
AGAINST CYRK INTERNATIONAL,
ENTERED OCT. 18, 1994 ..... D-1

APPENDIX E
STATUTORY PROVISION INVOLVED
15 U.S.C. § 1125(a),
43(a) OF THE LANHAM ACT E-1

TABLE OF AUTHORITIES

Cases

Page(s)

Abercrombie & Fitch Co. v. Hunting World, Inc.,
537 F.2d 4 (2nd Cir. 1976) 13-16, 19, 21, 24

Black & Decker Corp. v. International Sales and Marketing,
36 U.S.P.Q.2d 1851 (C.D.Cal. 1995) 25

Bonito Boats, Inc. v. Thunder Craft Boats, Inc.
489 U.S. 141, 109 S.Ct. 971, 103 L.Ed. 2d 118 (1989) 9

Brandir Int'l, Inc. v. Cascade Pacific Lumber Co.,
834 F.2d 1142 (2d Cir. 1987) 14

Chevron Chemical Co. v. Voluntary Purchasing Groups, Inc., 659 F.2d 695 (5th Cir. 1981), *cert. denied*, 457 U.S. 1126,
102 S.Ct. 2947, 73 L.Ed.2d 1342 (1982) 15, 16, 21

Clinique Laboratories, Inc. v. DEP Corp.,
___ F. Supp. ___, 1996 WL 583395 (S.D.N.Y. 1996) 21

Computer Care v. Service Systems Enterprises, Inc.,
982 F.2d 1063 (7th Cir. 1992) 12, 14

Devan Designs, Inc. v. Palliser Furniture Corp.,
998 F.2d 1008 (4th Cir. 1993)(unpublished;
reported at 1993 WL 243677) 12, 14

Duraco Products, Inc. v. Joy Plastic Enterprises, Ltd.,
40 F.3d 1431, 32 U.S.P.Q.2d 1724
(3rd Cir. 1994) 7, 12, 13, 15-17,
19, 21, 22

EFS Marketing, Inc. v. Russ Berrie & Co.,
76 F.3d 487 (2nd Cir. 1996) 12, 13

Ferrari S.p.A. v. McBurnie,
11 U.S.P.Q.2d 1843 (S.D.Cal. 1989) 25

Fuddruckers, Inc. v. Doc's B.R. Other's, Inc.,
826 F.2d 837, 4 U.S.P.Q.2d 1026
(9th Cir. 1987) 24

Hast v. Dan Chase Taxidermy Supply Co., Inc.,
884 F.Supp. 71 (N.D.N.Y. 1995) 14

Imagineering, Inc. v. Van Klassens, Inc.,
53 F.3d 1260 (Fed. Cir. 1995) 12, 17, 19

*INSTY*BIT, INC. v. Poly-Tech Industries, Inc.*,
95 F.3d 663 (8th Cir. 1996) 12, 16

International Jensen, Inc. v. Metrosound U.S.A., Inc.,
4 F.3d 819, 28 U.S.P.Q.2d 1287
(9th Cir. 1993) 7-12, 16,
17, 24

Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc.,
58 F.3d 27 (2nd Cir. 1995) 12, 13

Keystone Retaining Wall Systems, Inc. v. Westrock, Inc.,
997 F.2d 1444, 27 U.S.P.Q.2d
1297 (Fed.Cir. 1993) 23

Knitwaves, Inc. v. Lollytogs, Ltd. (Inc.),
71 F.3d 996 (2nd Cir. 1995) 12, 13, 20

Krueger Int'l, Inc. v. Nightingale, Inc.,
915 F.Supp. 595 (S.D.N.Y. 1996) 19

L. & J.G. Stickley, Inc. v. Canal Dover
Furniture Co., Inc.,
79 F.3d 258 (2nd Cir. 1996) 12, 13, 19

Lisa Frank, Inc. v. Impact Int'l, Inc.,
799 F. Supp. 980 (D. Ariz. 1992) 25

Locomotor U.S.A., Inc. v. Korus Co., Inc.,
(unpublished but reported at 46 F.3d 1142
(Table) and 1995 WL 7489 (9th Cir. (Cal.) 24

Los Angeles Memorial Coliseum Commission v.
National Football League.,
791 F.2d 13561 (9th Cir. 1986) 27

Mana Products, Inc. v. Columbia Cosmetics Mfg., Inc.,
65 F.3d 1063 (2nd Cir. 1995) 12, 13

McGonigle v. Combs,
968 F.2d 810 (9th Cir. 1992),
cert. dismissed, 506 U.S. 948,
113 S.Ct. 399, 121 L.Ed.2d 325 (1992) 26, 27

New York Racing Ass'n v. Perlmutter Pub. Inc.,
unpublished, reported at 1996 WL
465298 (N.D.N.Y.) 20

Paddington Corp. v. Attiki Importers & Distributors, Inc.,
996 F.2d 577 (2nd Cir. 1993) 12

Pebble Beach Co. v. Tour 18 I, Ltd.,
942 F. Supp. 1513 (S.D. Tex. 1996) 19

Qualitex Company v. Jacobson Products Co., Ltd.
___ U.S. ___, 115 S.Ct. 1300 (1995) 9

Seabrook Foods, Inc. v. Bar-Well Foods Ltd.,
568 F.2d 1342, 196 U.S.P.Q. 289
(CCPA 1977) 6, 9, 22, 25, 26

Stuart Hall Co., Inc. v. Ampad Corp.,
51 F.3d 780 (8th Cir. 1995) 12, 15, 19, 23

Thomas & Betts Corp. v. Panduit Corp.,
65 F.3d 654 (7th Cir. 1995) 12, 15

Tone Bros., Inc. v. Sysco Corp.,
28 F.3d 1192 (Fed. Cir. 1994) 12, 17, 26

Topps, Inc. v. Gerrit J. Verburg Co.,
unpublished, reported at
1996 WL 719381 (S.D.N.Y. 1996) 21

Two Pesos, Inc. v. Taco Cabana, Inc.,
505 U.S. 763, 112 S.Ct. 2753,
120 L.Ed.2d 615 (1992) 7, 9, 12
14-21, 24

Vision Sports, Inc. v. Melville Corp.,
888 F.2d 609, 12 U.S.P.Q.2d 1740
(9th Cir. 1989) 26

Vornado Air Systems v. Duracraft Corp.,
58 F.3d 1498 (10th Cir. 1995) 12, 16

Statutes

15 U.S.C. § 1125(a) 2, 11, 18

17 U.S.C. § 101 14

28 U.S.C. § 1254(1) 2, 10

28 U.S.C. § 1331 ..... 3, 10

28 U.S.C. § 1332 ..... 3, 10

28 U.S.C. § 1338(a) 3, 10

28 U.S.C. § 1338(b) 3, 10

28 U.S.C. § 1367(a) 3, 10

IN THE SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1996

SUNBURST PRODUCTS, INC.,
d/b/a FREESTYLE U.S.A.,
Petitioner,
v.

CYRK INTERNATIONAL,
PROSPEROUS ENTERPRISES (Taiwan Ltd.).,
EVERWIN BAGS CO., LTD. and
GLORRIEUX INDUSTRIAL, LTD.,

Respondents.

PETITION FOR A WRIT OF CERTIORARI

Petitioner Sunburst Products, Inc. (hereinafter "Sunburst" or "Petitioner"), respectfully petitions for a Writ of Certiorari to review the decision of the United States Court of Appeals for the Federal Circuit, entered in this case on September 30, 1996.

OPINION BELOW

The judgment of the Court of Appeals for the Federal Circuit is not published but is reported at 98 F.3d 1358 (Fed. Cir. 1996) and appears at Appendix A at A-1. The opinion of the Court of Appeals for the Federal Circuit is not published but is reported at 40 U.S.P.Q.2d 1939, 1996 WL550071 (Fed. Cir. (Cal.)) and is reproduced in Appendix B at B-1. The final judgment of the District Court, entered November 17, 1994, is not published or reported and is reproduced in Appendix C at

C-1. The judgment of the District Court on Special Verdict against CYRK International, entered October 18, 1994 is not published or reported and is reproduced in Appendix D at D-1.

JURISDICTION

The judgment of the Court of Appeals for the Federal Circuit was entered September 30, 1996. This Court has jurisdiction to review the judgment of the Court of Appeals pursuant to 28 U.S.C. § 1254(1).

STATUTORY PROVISION INVOLVED

The United States statutory provision involved is 15 U.S.C. § 1125(a), § 43(a) of the Lanham Act, which is set forth in Appendix E at E-1.

STATEMENT OF THE CASE

In this case, plaintiff Sunburst Products, Inc. ("Sunburst") filed an action against CYRK International, Prosperous Enterprises (Taiwan), Ltd., Everwin Bags Co., Ltd. and Glorrieux Industrial, Ltd., for design patent and trade dress infringement over the design of a waist pouch or pack of the type worn by hikers and skiers.[1] The action also alleged claims of

---

[1] CYRK International is now called CYRK, Inc. and is referred to herein as CYRK. Prosperous Enterprises (Taiwan Ltd.), Everwin Bags Co., Ltd. and Glorrieux Industrial, Ltd. are foreign suppliers to CYRK, who never made an appearance in the case and against whom default judgments were entered by the Court. Prosperous, Everwin and Glorrieux did not participate in the appeal before the United States Court of Appeals for the Federal Circuit, and the Federal Circuit's judgment does not address these parties.

unfair competition under the California Code and common law. The district court's jurisdiction was based on 28 U.S.C. §§ 1331, 1332, 1338(a) and (b), 1367(a) and 15 U.S.C. § 1121.

Sunburst's design patent claim relates to U.S. Patent No. Des. 334,471, which is directed to the design of a waist pouch. Sunburst's trade dress and state claims all relate to infringement of Sunburst's rights in the design of its REAR GEAR brand waist pack.

The REAR GEAR brand waist pack is comprised of a central pouch and a waist belt and buckle. The pouch is made of a textured fabric, and has a "look" from the piecing together of fabric components for the walls and sides. On the front of the pouch are two spaced-apart pockets. Running across the top of the pouch is a black zipper with a pendant pull tab. Above each of the two pockets are short black zippers with pendant pull tabs. At the center of the front pouch and between the two pockets is a prominent rectangular patch. The pouch is embroidered with the use of black accent stitching. The waist belt is a textured fabric and the buckle is a three-prong clasp and buckle design. The waist pack includes a kidney-shaped water bottle. The water bottle is inserted into the pouch and is removable. On the inside, there is a center divider running length-wise. The water bottle fits behind this center divider. At the top of the interior, there is a saddle strap with accent stitch and a Velcro®-like attachment which fits over the water bottle.

Sunburst contended that CYRK had copied Sunburst's REAR GEAR waist pack and sold 300,000 units to Philip Morris, Inc. for use in a promotional campaign. Philip Morris distributed the copies of Sunburst's REAR GEAR brand waist

packs bearing the MARLBORO logo, in a promotion to sell more MARLBORO cigarettes. CYRK made its imitation using overseas suppliers, Prosperous Enterprises (Taiwan Ltd.), Everwin Bags Co., Ltd. and Glorrieux Industrial, Ltd. Sunburst claimed damage through lost sales of the waist packs to CYRK and ultimately to Philip Morris, as well as lost sales because demand of its own waist packs was reduced when consumers obtained the Philip Morris/CYRK waist pack.

The design patent claim was dismissed on summary judgment because all of CYRK's activities occurred prior to the date of issue of the patent. Sunburst did not appeal the grant of summary judgment to CYRK. The remaining claims proceeded to trial before a jury.

At trial, Sunburst introduced the testimony of its designers, who testified that they studied the universe of existing waist packs, and designed a unique overall appearance for the REAR GEAR brand waist pack which would set it apart from other waist packs on the market and would be identifiable. Sunburst also introduced at trial hundreds of designs of luggage articles, including about 80 waist packs, which all showed that Sunburst's waist pack had an uncommon shape, was unique and unusual and was not a mere refinement of commonly adopted and well-known forms of ornamentation for waist packs. Sunburst presented copies of articles in sports magazines highlighting the uniqueness of the design. Sunburst also relied upon the fact of its design patent over the design of the waist pouch as evidence that its design was novel and unobvious, and therefore distinctive. Additionally, CYRK admitted that the appearance of the kidney-shaped bottle included with the waist

pack trade dress is distinctive. Sunburst also introduced evidence that CYRK intentionally copied, knowing that the waist pouch and bottle design was unique to Sunburst, and had indeed instructed it's manufacturer/supplier, over its objections, that the Sunburst REAR GEAR brand waist pouch be copied ***identically***. Finally, Sunburst introduced evidence of independent sales representatives, who testified that they inquired of Sunburst whether Sunburst had actually sourced or supplied the waist pouches distributed by Philip Morris[2].

After a four-day trial, judgment was entered by the Court upon the return of the special verdict in favor of Sunburst. The jury's special verdict found that:

> (a) the trade dress was inherently distinctive and nonfunctional;
>
> (b) CYRK's waist pack was likely to cause confusion, mistake or deception to substantial numbers of the buying public as to whether it was a Sunburst waist pack;
>
> (c) the infringement by CYRK was not done with intent to pass off its waist pack as a Sunburst waist pack; and
>
> (d) the amount of $400,000 was awardable to Sunburst as damages after deducting a set-off of $520,000 as

---

[2] Sunburst introduced additional evidence on other relevant issues, including secondary meaning, non-functionality, actual confusion and damages. These other issues were not addressed by the Federal Circuit, are not germane to this petition, and are therefore not discussed herein.

ordered by the Court.

The jury was instructed to pass over an interrogatory on acquired distinctiveness or secondary meaning if it found inherent distinctiveness.

The Court awarded damages in the amount of $400,000 in accordance with the jury's verdict and issued a permanent injunction against CYRK.

CYRK appealed the judgment against it to the United States Court of Appeals for the Federal Circuit. Sunburst cross-appealed, claiming additional damages and attorneys' fees. The Federal Circuit held that the judgment against CYRK "cannot stand as a matter of law," and dismissed Sunburst's cross-appeal as moot.

The Federal Circuit noted that the jury instruction given on inherent distinctiveness was not challenged by either party and was properly drawn from *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, 568 F.2d 1342, 1344, 196 U.S.P.Q. 289, 291 (CCPA 1977). The jury was instructed:

> A trade dress is inherently distinctive if its design, shape or combination of elements is so unique, unusual or unexpected in its market that one can assume without proof that it could automatically be perceived by customers as an indication of origin. Factors to be considered in determining whether a trade dress is inherently distinctive includes whether the trade dress is a common basic shape or design, whether it is unique or unusual in a particular field, and whether it is a mere refinement of a commonly

> adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for goods.

The Federal Circuit noted that this instruction was consistent with Ninth Circuit precedent.

The Federal Circuit held that, to be inherently distinctive, a product design must be more than novel. It must "intrinsically identify the source of the products" citing this Court's decision in *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 112 S.Ct. 2753, 120 L.Ed.2d 615 (1992), the Ninth Circuit's decision in *International Jensen, Inc. v. Metrosound U.S.A., Inc.*, 4 F.3d 819, 824, 28 U.S.P.Q.2d 1287, 1289 (9th Cir. 1993) and the Third Circuit's decision in *Duraco Products, Inc. v. Joy Plastic Enterprises, Plastic*, 40 F.3d 1431, 1448, 32 U.S.P.Q.2d 1724, 1738 (3rd Cir. 1994).[3]

The Federal Circuit found that:

> In this case, the REAR GEAR pack is an attractive, overall user-friendly design and certain features may even be memorable. However, the features, such as the kidney-shaped bottle and two zippered front compartments are not protectable if they are merely seen to create a type of desirable product.

---

[3] It is notable that the standard for determining protectable trade dress enunciated in the *Duraco* decision was not advocated by CYRK at the trial court level and was not used by the trial court in instructing the jury. CYRK first urged the application of the *Duraco* standard on appeal before the Federal Circuit.

> Here, Sunburst presented no evidence that its design or features would inherently identify it as the source of the goods. Although there was evidence to show that its design or features may have been unique or unusual in this field, Sunburst failed to link this evidence to identification of source. It only submitted evidence that two salesmen of Sunburst's packs questioned its management as to whether Sunburst made the MARLBORO packs. Their testimony is neither representative of consumers nor probative of source identification. Thus, the design was not proved to be inherently distinctive by this evidence. Likewise, Sunburst failed to present relevant evidence concerning any of the other factors identified in *Seabrook* and the jury instruction. As a result, the jury's finding that the Sunburst design was inherently distinctive is not supported by substantial evidence, and the district court erred in not granting CYRK's motion for judgment as a matter of law.

The Federal Circuit did not consider any other issues on appeal, concluding that the judgment had to be reversed because the jury's finding of inherent distinctiveness was not supported by substantial evidence showing that there was an actual association as to source arising from the new, unique, unusual and memorable design or features of the Sunburst waist pack.

REASONS FOR GRANTING THE PETITION

SUMMARY OF THE ARGUMENT

Certiorari is appropriate in this case for two reasons. First, the Federal Circuit's decision in this case adds to the already real and embarrassing conflict of opinions and authorities between the circuit courts of appeal over the construction and application of the Lanham Act to inherently distinctive trade dress. The circuit courts of appeal have reached different results by applying conflicting standards for determining when trade dress is inherently distinctive. This issue is not merely academic or episodic but is of recurring importance. It relates directly to the administration and application of the Lanham Act.

The Federal Circuit's decision is the latest in a series by the Federal Circuit, and other Circuits, which express a continuing hostile resistance to extending trade dress protection to product configurations. This important question of federal law has apparently not been settled by this Court, despite its decisions in *Two Pesos, Inc. v. Taco Cabana, Inc.*, and *Qualitex Company v. Jacobson Products Co., Ltd.*, ___ U.S. ___, 115 S.Ct. 1300 (1995). Additionally, the circuit courts of appeal appear to be wrestling to balance the competing policy considerations, enunciated by this Court in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*[4], *Two Pesos*, and *Qualitex*, for the protection of trademarks, trade dress and designs claimed under the copyright and patent laws of the United States.

---

[4] 489 U.S. 141, 109 S. Ct. 971, 103 L. Ed. 2d.2d 118 (1989).

This Court has also never addressed what evidence is required to establish inherently distinctive trade dress under the Lanham Act. This Court should grant *certiorari* to give further guidance to the Federal Circuit, as well as to the other circuit courts of appeal. There is an urgent need for a uniform national standard for assessing inherently distinctive trade dress.

Second, in entering this judgment and in rendering this opinion, the United States Court of Appeals for the Federal Circuit, has strayed far from the accepted and usual course of judicial proceedings, so as to call for an exercise of this Court's supervisory power. In particular, the Federal Circuit has failed to recognize and apply a precedent of this Court which provides that proof of association as to source is not required for protection of inherently distinctive trade dress under the Lanham Act. The Federal Circuit also did not apply Ninth Circuit law, as it is bound to do, in assessing whether a trade dress is inherently distinctive. In addition, the Federal Circuit has failed to give appropriate deference to a jury's finding that the trade dress at issue is inherently distinctive, ignoring evidence of record and substituting its own assessment of the evidence over that made by the jury.

ARGUMENT

I. THERE REMAINS A REAL AND EMBARRASSING CONFLICT AT THE COURT OF APPEALS LEVEL OVER THE STANDARD OF EXTENDING PROTECTABILITY TO INHERENTLY DISTINCTIVE TRADE DRESS, DESPITE THIS COURT'S DECISION IN *TWO PESOS*.

This Court's decision in *Two Pesos* in June, 1992, made clear that a trade dress may be protected under § 43(a) of the Trademark Act of 1946 (Lanham Act) based on a finding of inherent distinctiveness, without proof that the trade dress has secondary meaning. In the more than four years which have followed *Two Pesos*, the regional circuit courts of appeal have not been able to agree upon and consistently apply a standard for inherent distinctiveness not in conflict with this Court's decision.

A. The Conflict Amongst The Circuits

Since the *Two Pesos* decision, over 570 state, federal and circuit courts have addressed cases in which the term "trade dress" was reportedly mentioned. Sixteen decisions from the regional circuits have in some fashion attempted to apply a standard for determining when a trade dress is inherently distinctive. Of these decisions, six arise from the Second Circuit; one from the Federal Circuit applying Second Circuit law; one from the Third Circuit; one from the Fourth Circuit; two from the Seventh Circuit; two from the Eighth Circuit; one from the Federal Circuit applying Eighth Circuit law; one from the

Ninth Circuit; and one from the Tenth Circuit.[5]

1. The Standards Applied In the Second Circuit

Of the post-*Two Pesos* cases from the Second Circuit, only *Paddington, supra* found the trade dress to be inherently distinctive. That case applied the standard adopted by this Court in *Two Pesos* and found the trade dress to be arbitrary and therefore protected without a showing of secondary meaning. The Second Circuit in *Paddington* held that "the possible varieties of advertising, display and packaging are virtually endless . . . typically a trade dress will be arbitrary and, thus, inherently distinctive." Yet, the Second Circuit did not find any trade dress to be inherently distinctive in five subsequent cases. In three of the five cases, the Second Circuit continued to apply

---

[5] *Computer Care v. Service Systems Enterprises, Inc.*, 982 F.2d 1063 (7th Cir. 1992); *Paddington Corp. v. Attiki Importers & Distributors, Inc.*, 996 F.2d 577 (2nd Cir. 1993); *Devan Designs, Inc. v. Palliser Furniture Corp.*, 998 F.2d 1008 (4th Cir. 1993)(table)(unpublished; reported at 1993 WL 243677); *Int'l Jensen v. Metrosound U.S.A.*, 4 F.3d 819 (9th Cir. 1993); *Tone Bros., Inc. v. Sysco Corp.*, 28 F.3d 1192 (Fed. Cir. 1994); *Duraco Products v. Joy Plastic Enterprises*, 40 F.3d. 1431 (3rd Cir. 1994); *Stuart Hall Co., Inc. v. Ampad Corp.*, 51 F.3d 780 (8th Cir. 1995); *Imagineering, Inc. v. Van Klassens, Inc.*, 53 F.3d 1260 (Fed. Cir. 1995); *Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc.*, 58 F.3d 27 (2nd Cir. 1995); *Vornado Air Systems v. Duracraft Corp.*, 58 F.3d 1498 (10th Cir. 1995); *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654 (7th Cir. 1995); *Mana Products, Inc. v. Columbia Cosmetics Mfg., Inc.*, 65 F.3d 1063 (2nd Cir. 1995); *Knitwaves, Inc. v. Lolloytogs Ltd. (Inc.)*, 71 F.3d 996 (2nd Cir. 1995); *EFS Marketing, Inc. v. Russ Berrie & Co.*, 76 F.3d 487 (2nd Cir. 1996); *L.&J.G. Stickley, Inc. v. Canal Dover Furniture Co., Inc.*, 79 F.3d 258 (2d Cir. 1996); and *INSTY*BIT, INC. v. Poly-Tech Industries, Inc.*, 95 F.3d 663 (8th Cir. 1996).

the standard used by this Court, which was adopted from *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2nd Cir. 1976), to evaluate whether the trade dress claim was new and unique and, therefore, inherently distinctive.[6] In November, 1995, however, the Second Circuit adopted the standard articulated by the Third Circuit in *Duraco Products v. Joy Plastic Enterprises.*[7]

2. *The Standards Applied In The Third Circuit*

The *Duraco* decision of the Third Circuit, attempted to make a distinction between product packaging trade dress and product configuration trade dress, and concluded that this Court's decision in *Two Pesos* dealt with packaging, not product configuration. The Third Circuit rejected this Court's use of traditional "trademark taxonomy" as inadequate in the context of product configuration trade dress and articulated its own standard for determining whether product configuration trade dress is inherently distinctive. The Third Circuit stated that:

> [t]o be inherently distinctive, a product configuration -- comprised of a product feature or some particular combination or arrangement of product features -- for which Lanham Act protection is sought, must be (i) unusual and memorable; (ii) conceptually separable from the products; and (iii) likely to serve primarily as a designator of origin of the products.

---

[6] *Jeffrey Milstein, Mana Products, supra* and *L.&J.G. Stickley, supra.*

[7] *Knitwaves, supra,* and *EFS Marketing, supra.*

No other prior decision of any court in the land is known to have required conceptual separability of the product from its trade dress as a condition to extending trade dress protection under the Lanham Act.[8]

3. The Standard Applied In The Fourth Circuit

Without mentioning *Two Pesos*, the Fourth Circuit in its only post-*Two Pesos* decision, affirmed in an unpublished opinion a finding that children's furniture was not inherently distinctive because its design was not associated with a particular supplier, there was nothing in the design indicating source, and there was no logo or other distinctive marking affixed. *Devan Designs, supra.* While citing *Abercrombie*, the court did not apply the *Abercrombie* standard in its analysis.

4. The Standards Applied In The Seventh Circuit

The Seventh Circuit in its two post-*Two Pesos* decisions has used two different standards. *Computer Care, supra,*

---

[8] The requirement of "conceptual separability" appears to be borrowed from copyright law. Courts have refused to extend copyright protection to utilitarian objects absent a showing of "conceptual separability." 17 U.S.C. § 101; *Brandir Int'l, Inc. v. Cascade Pacific Lumber Co.*, 834 F.2d 1142 (2d Cir. 1987). The Third Circuit's use of this additional requirement increases the confusion in the area, rather than providing a clear standard capable of ready application. The copyright doctrine of "conceptual separability" comes with its own 'baggage.' Most courts which have faced the issue have referred to "conceptual separability" as an "elusive concept," *Hast v. Dan Chase Taxidermy Supply Co., Inc.*, 884 F. Supp. 71, 75 (N.D.N.Y. 1995). The Second Circuit recognized in a copyright action that while the doctrine is alive and well, "[t]he problem, however, is determining exactly what it is and how it is to be applied." *Brandir*, 834 F.2d at 1144.

applied the traditional trademark taxonomy used by this Court in *Two Pesos* to affirm a preliminary injunction stating that "evidence of uniqueness supports a finding that a trade dress is inherently distinctive." *Thomas & Betts, supra,* in 1995, adopted the Third Circuit's *Duraco* standard. The *Thomas & Betts* case held the trade dress at issue not inherently distinctive, without discussion.

5. The Standards Applied In The Eighth Circuit

The Eighth Circuit Court of Appeals embraced this Court's test for inherent distinctiveness articulated in *Two Pesos, Abercrombie* and *Chevron Chemical Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695 (5th Cir. 1981), *cert. denied*, 457 U.S. 1126, 102 S.Ct. 2947, 73 L.Ed.2d 1342 (1982). The Eighth Circuit decision in *Stuart Hall, supra*, expressly rejected the *Duraco* standard and disagreed with the Third Circuit's contention that the *Two Pesos* decision related to product packaging, rather than product configuration. The Eighth Circuit criticized the Third Circuit for creating a new test which merely shifts from "actual consumer recognition to likely consumer recognition." The Eighth Circuit has opined that the *Duraco* standard undermines *Two Pesos* by requiring that, to be inherently distinctive, a trade dress be shown to meet a version of the secondary meaning test with a lesser burden of production. The Eighth Circuit points out that the requirement for source identification relates to proof of secondary meaning, not proof of inherent distinctiveness. The Eighth Circuit cites this Court's decision in *Two Pesos* as stating that "[s]uggestive marks are eligible for protection without any proof of secondary meaning, *since the connection between the mark and the source is presumed.*"

The most recent Eighth Circuit case, *INSTY*BIT, supra*, reversed a summary judgment in favor of the defendant because testimony of the uniqueness of the design at the time of the introduction, created at least a genuine issue since a reasonable jury could conclude that the design was inherently distinctive.

6. The Standard Applied In The Ninth Circuit

In very brief *dicta* in *International Jensen, supra*, the Ninth Circuit melded the several tests into a definition of inherent distinctiveness. That court stated that trade dress was inherently distinctive *when* it "identifies the particular source," *or* "distinguishes it from other products," *or* includes "arbitrary features that do not describe product *or* "assist in effective packaging." 4 F.3d at 824.

7. The Standard Applied In The Tenth Circuit

In its only post-*Two Pesos* decision, the Tenth Circuit, while not reaching the issue because of its disposition of a patent law issue, and without citation to either *Ambercrombie* or *Chevron*, stated in *dicta* what is essentially the *Duraco* primary significance test: trade dress are "inherently distinctive because their intrinsic nature is such as to 'almost automatically tell a customer that they refer to a brand,'. . . so that its primary significance in the minds of potential consumers . . . is as an indicator of its source." *Vornado*, 58 F.3d at 1502. The court, however, found no distinction between packaging trade dress and product trade dress analysis. *Id.*

8. The Standards Applied In the Federal Circuit

Finally, the Federal Circuit has, prior to this case, twice addressed the issue of inherent distinctiveness with respect to

trade dress. In a 1994 decision, the Federal Circuit in *Tone Bros, supra*, applying Eighth Circuit law, reversed a summary judgment for the defendant on the grounds that evidence that the container was the first of its kind was sufficient to possibly establish inherent distinctiveness, and therefore, uniqueness was an issue of material fact. Then again in 1995, the Federal Circuit held, applying Second Circuit law in *Imagineering, supra*, that employee and industry testimony about uniqueness of the trade dress was sufficient to support a jury verdict of inherent distinctiveness.

9. The Standards Applied In This Action

By contrast, in the action at bar, the Federal Circuit, allegedly applying Ninth Circuit law, has held that:

> To be inherently distinctive, a product design must be more than novel, *i.e.*, the first where the particular features are arranged in a particular way. If novelty were the sole requirement, every new design of any product would be *ipso facto* protectable. What is necessary is that the design must intrinsically identify the particular source of the products. (Citing *Two Pesos, International Jensen* and *Duraco*).[9]

---

[9] Curiously, the Federal Circuit chose not to follow its own precedents, without comment, in deciding this case. As noted above the Federal Circuit in this case held that the testimony of two salesmen of Sunburst's pack, questioning its management about the source of the MARLBORO packs is not "evidence of source association" and that the design was not proved to be inherently distinctive by this evidence." Yet, The Federal Circuit has previously held that "employee" and industry witness testimony that the design of a claimed

The Federal Circuit then ruled that notwithstanding the jury's finding of inherent distinctiveness and its own findings that the trade dress of the waist pouch is "novel," "unique," "unusual" and "may even be memorable," the trade dress of the REAR GEAR brand waist pouch is not inherently distinctive because "Sunburst presented no evidence that its design or features would inherently identify it as the source of the goods."

B. The Need for Uniform National Standard

The regional circuit courts of appeal and the Federal Circuit are clearly lost and need this Court's guidance. This Court has held that if the mark, whether a trademark or trade dress, is not merely descriptive, it is inherently distinctive and must be protected without requiring additional proof of secondary meaning. Yet, the Federal Circuit, the Third, the Fourth, the Second and the Seventh Circuits, are requiring proof that unique trade dress, which is not merely descriptive, "be shown to intrinsically identify its source." The decisions of these circuits, in requiring proof of association as to source are still "[en]grafting onto section 43(a) a requirement of secondary meaning for inherently distinctive trade dress" which this Court has stated "would undermine the purposes of the Lanham Act."[10]

The conflict between the regional courts of appeal has

---

trade dress was "novel," "exclusive," "a totally different look" and that the witness had "not seen anything like" the design was "considerable evidence" about inherent distinctiveness of the design and supported a jury's finding of inherent distinctiveness. *Imagineering, supra.*

[10] *Two Pesos*, 505 U.S. at 774, 112 S. Ct. at 2760.

reached embarrassing heights[11] and is today encouraging forum shopping by litigants. The Eighth Circuit's *Stuart Hall* decision and the Third Circuit's *Duraco* decision, are polarizing litigants and the courts so much so that confusion reigns.[12]

---

[11] The Second Circuit, in *L. & J.G. Stickley, Inc., supra,* criticized the Federal Circuit's analysis in *Imagineering,* stating that:

> We believe that the *Imagineering* case does not present a correct analysis of inherent distinctiveness because the Court did not question which origin the product's trade dress designated: Heistad, the creator, or Imagineering, the producer. 79 F.3d at 263.

Unguided by the Fifth Circuit, a district court in Texas has independently concluded that trade dress which is unlike any other prior design is nevertheless unprotectable without proof of secondary meaning. Yet in the same case the court found the design of a golf hole inherently distinctive "because of the uniqueness of the appearance of the lighthouse and its relation to the 18th hole" without secondary meaning. *Pebble Beach Co. v. Tour 18 I, Ltd.*, 942 F. Supp. 1513 (S.D. Tex. 1996)

[12] The Second Circuit's adoption of the *Duraco* standard has been criticized even by district courts in the Second Circuit.

▸ In *Krueger Int'l, Inc. v. Nightingale, Inc.*, 915 F.Supp. 595 (S.D.N.Y. 1996), the district court expressly refused to apply the *Duraco* standard as adopted in *Knitwaves* noting that:.

> The Eighth Circuit, instead, has recently made a forceful and persuasive argument that the Supreme Court has not authorized us to abandon *Abercrombie*, no matter how much difficulty it causes. *Stuart Hall Co. v. Ampad Corp.*, 51 F.3d 780, 788 (8th Cir. 1995). As the Eighth Circuit reasoned, *Two Pesos* was clearly a case of product design and it expressly approved the application of the *Abercrombie* classifications to the design of a Mexican restaurant

chain. (citation omitted) Moreover, the entire thrust of *Two Pesos* was to unify the standards for trademark and trade dress, not to balkanize this complex field into yet more subcategories. I agree with the Eighth Circuit's conclusion that the Supreme Court envisions trade dress as a 'single concept' with trademark law requiring a single test for inherent distinctiveness. (citation omitted).

Further, I believe that *Knitwaves'* new test for inherent distinctiveness confuses the analytical requirements for inherent distinctiveness with those of secondary meaning. Inherent distinctiveness cannot hinge on how a producer intends to promote a design. If such were the case, the evidentiary requirements for inherent distinctiveness would be almost identical to those for secondary meaning and there would be no point in having two categories. A producer could only prove 'intent' by producing evidence of how he or she has advertised (or positioned) the product, and by producing consumer surveys showing how well the advertising worked. This is precisely the kind of evidence required for a showing of secondary meaning. (citation omitted) An inherent quality by contrast is one which 'inheres' in a product, regardless of what the producer intends, particularly if the product is too new to have acquired secondary meaning. *Two Pesos* created no such 'intent' requirement, stating only that an inherently distinctive design is one that is *'capable* of identifying a particular source of the product.'

915 F. Supp. at 602.

▸ In *New York Racing Ass'n v. Perlmutter Pub. Inc.*, unpublished, reported at 1996 WL 465298 (N.D.N.Y. 1996) the court adopted a "primary purpose rule" stating that the claimant must show that the

The issue at hand is of significant importance to the public, the bench and the bar. With over 570 cases since June of 1992 mentioning trade dress, it is clear that this is a hotly litigated area. In every trade dress action, the first element of consideration is whether the claimed trade dress is either inherently distinctive or has acquired distinctiveness. Every court and every litigant has to determine what standard to apply in determining whether a claimed trade dress is inherently distinctive. Litigants and the courts are then faced with the issue of what evidence is relevant and sufficient to prove inherent distinctiveness.

After this Court's decision in *Two Pesos*, and until *Duraco*, all the regional courts of appeals uniformly were applying a standard of "uniqueness" of the claimed trade dress to determine whether it is inherently distinctive. As noted by the Eighth Circuit, the *Chevron* and *Abercrombie* tests "focus on the arbitrariness of the trade dress and its relevance to the product,

---

"trade dress is one that is (sic) serves primarily as a designator of origin and whose primary objective is source identification rather than aesthetic appeal."

▸ In *Topps, Inc. v. Gerrit J. Verburg Co.*, unpublished, reported at 1996 WL 719381 (S.D.N.Y. 1996), the court found the trade dress inherently distinctive because it was "sufficiently unique in the market to indicate the product's source" taking "into account the nature of the designations and the context in which it is used."

▸ As recently as October 1996, another judge of the Southern District of New York held in *Clinique Laboratories, Inc. v. DEP Corp.*, ___ F. Supp. ___, 1996 WL 583395 (S.D.N.Y. 1996), that the trade dress was inherently distinctive because the shape was "unusual and unique" and the packaging "comprised] a distinctive arrangement of features" that was "arbitrary and fanciful."

whereas the *Seabrook* test focuses on a comparison of the trade dress with others in the same field." 51 F.3d at 787. Even the Federal Circuit applied this standard. Indeed, the predecessor court to the Federal Circuit, first fashioned the *Seabrook* test which was used as the basis for the jury instruction given in this case. The *Duraco* test, now apparently accepted by the Third, Second, Seventh and Federal Circuits, significantly departs from the accepted test and applies a standard which is repugnant to the decisions of this Court.

The confusion that reigns with respect to the standard that should be applied is best seen in the decisions of the Federal Circuit itself. Having, in 1979, fashioned the *Seabrook* standard, which focuses on a comparison of the claimed trade dress to the particular field, the Federal Circuit is now requiring *proof* that a "novel," "unique," "unusual" and even "memorable" design for which trade dress protection is sought, actually serves to identify the source. The Federal Circuit seems unable to accept this Court's holding that "the connection between the mark and the source is *presumed*" when the trade dress is inherently distinctive.

This Court is respectfully requested to grant this petition for *certiorari*, so that it may clarify for the regional courts of appeal and for the Federal Circuit, that there is no difference in the standard for protectability of a product configuration trade dress as compared with a product packaging trade dress, or as compared with trade marks generally. The Court is further asked to clarify that in assessing whether a particular trade dress is inherently distinctive one needs only determine whether the trade dress as claimed is "merely descriptive" of the product or a "mere refinement of a commonly adopted form of

ornamentation" and is therefore nonprotectable for such products, or if it is in fact novel, unique or unusual in the field and, therefore, protectable. It is immensely important to the public, to commerce and to the courts to have a uniform national standard for determining protectable trade dress, so that the purposes of the Lanham Act, namely, "to secure to the owner of the mark the good will of his business and to protectability of consumers to distinguish among competing producers" are not frustrated.

II. PETITION FOR *CERTIORARI* SHOULD BE GRANTED SO THAT THIS COURT MAY EXERCISE ITS SUPERVISORY POWERS TO SET ASIDE THE JUDGMENT OF THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT, WHICH IS REPUGNANT TO THE DECISION OF THIS COURT AND INCONSISTENT WITH THE ACCEPTED AND USUAL COURSE OF JUDICIAL PROCEEDINGS.

This action was appealed to the Court of Appeals of the Federal Circuit because the action originally included a claim for design patent infringement. However, in reviewing the District Court's judgment on trade dress infringement, the Federal Circuit was bound to apply the law of the Ninth Circuit and the decisions of this Court. *Keystone Retaining Wall Systems, Inc. v. Westrock, Inc.*, 997 F.2d 1444, 1447, 27 U.S.P.Q.2d 1297,1300 (Fed.Cir. 1993). The Federal Circuit is of course bound to follow decisions of this Court.

A. The Federal Circuit Has Failed to Follow the Decision of this Court in *Two Pesos*.

As noted above, the Federal Circuit failed to apply the controlling precedent of this Court, as enunciated in *Two Pesos*. In particular, the Federal Circuit failed to recognize that no proof of secondary meaning or association as to source is required for inherently distinctive trade dress because the association between trade dress and the source is presumed. Additionally, the Federal Circuit failed to give weight to this Court's favorable adoption of the standard for determining whether a trade dress is inherently distinctive as expressed in *Abercrombie*, namely, whether the claimed trade dress is merely descriptive, or suggestive, arbitrary or fanciful.

B. The Federal Circuit Has Failed to Apply Ninth Circuit Law In the Standards for Determining Inherently Distinctive Trade Dress.

Additionally, the Federal Circuit significantly departed from accepted usual course of proceedings when it failed to apply the accepted Ninth Circuit standard to determine whether a trade dress is inherently distinctive.[13] The District Court

---

[13] The only Ninth Circuit cases to discuss protectability of inherently distinctive trade dress are *Fuddruckers, Inc. v. Doc's B.R. Other's, Inc.*, 826 F.2d 837, 4 U.S.P.Q.2d 1026 (9th Cir. 1987) (which did not "decide whether it is ever appropriate to protect inherently distinctive trade dress without proof of secondary meaning"), the *Int'l Jensen v. Metrosound* decision discussed above, and *Locomotor U.S.A., Inc. v. Korus Co., Inc.*, (unpublished but reported at 46 F.3d 1142 (Table) and 1995 WL 7489 (9th Cir. (Cal.)) (which reversed a summary judgment for the plaintiff because the District Court had not considered whether the claimed trade dress was inherently distinctive

applied the *Seabrook* test which measures the extent to which the claimed trade dress is unique in a particular field, by a comparison with other products in the field. No one, including CYRK and the Federal Circuit, has challenged that this is the appropriate standard in the Ninth Circuit. The Federal Circuit has also accepted that the waist pouch trade dress at issue in this case is "novel," is "unique," is "unusual" and "may even be

---

under the standard set out in *Two Pesos*.)

However three district court cases from the Ninth Circuit have addressed whether trade dress is inherently distinctive:

- Holding that it did not need to reach the question of inherent distinctiveness because secondary meaning had been shown, the Southern District of California, in *Ferrari S.p.A. v. McBurnie*, 11 U.S.P.Q.2d 1843 (S.D. Cal. 1989), nevertheless stated that "[u]nique or distinctive designs or product shapes do not need a showing of secondary meaning to obtain protection from infringement. The very fact of their distinctiveness causes these unique and distinctive designs to distinguish one person's products from another's." 11 U.S.P.Q.2d at 1850.

- The District Court in Arizona, in *Lisa Frank, Inc. v. Impact Int'l, Inc.*, 799 F. Supp. 980 (D. Ariz. 1992) applied the *Seabrook* test and found the claimed trade dress inherently distinctive.

- The Central District of California, in *Black & Decker Corp. v. International Sales and Marketing*, 36 U.S.P.Q.2d 1851 (C.D. Cal. 1995), found a trade dress inherently distinctive on "overwhelming evidence" that "no one offered a similar flashlight in the marketplace"prior to the introduction of the trade dress claimed, that the "design was a departure from the previous flashlight designs in the market" and the "instant and enormous commercial success as well as the numerous design awards the product has received." 36 U.S.P.Q.2d at 1853.

memorable." However, the Federal Circuit incorrectly concluded that such findings were insufficient to establish inherent distinctiveness.[14]

The Federal Circuit also did not give weight to the presumption of distinctiveness applied in the Ninth Circuit in cases where there is evidence of actual copying which remains unrebutted by evidence showing a legitimate justification for the copying. *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 615, 12 U.S.P.Q.2d 1740 (9th Cir. 1989).

C. The Federal Circuit Departed From Well-Established Principles Limiting the Scope of Review Adopted by this Court and Routinely Applied in the Ninth Circuit, Failing to Consider all Evidence of Record and by Substituting its Own Assessment of the Evidence for that Made by the Jury in the Case.

The Federal Circuit also ignored evidence of record and wrongly substituted its judgment with respect to factual findings for the judgment of the jury in the case. The jury found that the trade dress of the waist pouch at issue, applying the *Seabrook* standard, was in fact inherently distinctive, namely "so unique, unusual or unexpected in its market that one can assume without proof that it could automatically be perceived by customers as an indication of source."

A court of appeal reviews denial of a motion for judgment as a matter of law *de novo*. *McGonigle v. Combs*, 968

---

[14] As shown above, on two prior occasions the Federal Circuit has held that such evidence would permit a jury to find a trade dress inherently distinctive. *Tone Bros.*, *supra* and *Imagineering, supra*.

F.2d 810, 816 (9th Cir. 1992), *cert. dismissed*, 506 U.S. 948, 113 S.Ct. 399, 121 L.Ed.2d 325 (1992). The Ninth Circuit has articulated the standard for such motions as being:

> "viewing the evidence as a whole and in the light most favorable to the nonmoving party, . . . does substantial evidence support the jury's verdict or, on the contrary, is the only reasonable conclusion that can be drawn from the evidence that the moving party . . . is entitled to judgment as a matter of law? (citations omitted) We may not weigh the evidence and impose a result we find to be preferable as long as the jury's verdict is supported by substantial evidence. (citation omitted)"

Los Angeles Memorial Coliseum Commission v. National Football League, 791 F.2d 1356, 1360 (9th Cir. 1986). Judgment as a matter of law is proper where the evidence permits only one reasonable conclusion. *McGonigle, supra*. The Federal Circuit did not apply this standard when reviewing the jury's findings in this case.

There was evidence of record to support the jury finding of inherent distinctiveness. The evidence included the testimony of the designers; hundreds of designs of luggage articles, including about 80 waist packs; articles in sports magazines pointing to the novelty and uniqueness of the REAR GEAR design; the fact of an issued design patent; admissions by the defendant that the bottle included in the claimed trade dress is distinctive; admissions by the defendant that it intentionally copied the claimed trade dress, and evidence of actual confusion by sophisticated sales representatives familiar with the trade

dress. In rendering its opinion in this case, the Federal Circuit failed to recognize all of the evidence which was represented by Sunburst, even though it was all part of the record before the Federal Circuit.

These departures from accepted standards for judicial proceedings are substantial and need to be rectified, not solely for the benefit of the litigants involved, but also to ensure the consistent application of legal standards and the administration of justice. If *certiorari* is not granted, Sunburst will be deprived of more than just a remedy for infringement of its inherently distinctive trade dress in its waist pouch design; Sunburst will be deprived of its rights and all protection over its inherently distinctive trade dress. The Federal Circuit's judgment completely frustrates the purpose of the Lanham Act, because it deprives Sunburst of the "goodwill of [its] business" and denies it and its consumers "the ability to distinguish among competing producers."

CONCLUSION

The interests of a consistent national standard and the significant departure from the accepted and usual course of judicial proceedings by the Federal Circuit which has deprived Sunburst of not only a remedy of trade dress infringement, but also its trade dress rights warrant granting of *certiorari* in this case.

Respectfully submitted,

SHELDON & MAK

December 27, 1996

By: _____

Surjit P. Soni
Counsel of Record
SHELDON & MAK
225 S. Lake Avenue, 9th Flr.,
Pasadena, California 91101
(818) 796-4000

Of Counsel
Robert J. Rose
Rose & Brutocao
225 S. Lake Avenue, 9th Flr.
Pasadena, California 91101
(818) 683-8787

Attorneys for Petitioner
SUNBURST PRODUCTS,
INC., d/b/a FREESTYLE
U.S.A.

APPENDIX A

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT
95-1091, -1104

SUNBURST PRODUCTS, INC.
d/b/a FREESTYLE U.S.A.,
Plaintiff/Cross-Appellant,
v.
CYRK INTERNATIONAL,
Defendant-Appellant,
and
PROSPEROUS ENTERPRISES (TAIWAN LTD.,),
EVER WIN BAGS CO. LTD. and
GLORRIEUX INDUSTRIAL LTD.,
Defendants.

JUDGMENT

ON APPEAL from the UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA

in CASE NO(S): CV-93-6007

This CAUSE having been heard and considered, it is ORDERED AND ADJUDGED:

REVERSED

ENTERED BY ORDER OF THE COURT

DATED SEP 30 1996 /s/ Francis X. Gindhart
Francis X. Gindhart, Clerk

ISSUED AS A MANDATE: October 21, 1996

APPENDIX B

98 F.3d 1358 (Table)
40 U.S.P.Q.2d 1939

Unpublished Disposition
(Cite as: 98 F.3d 1358, 1996 WL 550071 (Fed.Cir.(Cal.)))

NOTICE: Federal Circuit Local Rule 47.6(b) states that opinions and orders which are designated as not citable as precedent shall not be employed or cited as precedent. This does not preclude assertion of issues of claim preclusion, issue preclusion, judicial estoppel, law of the case or the like based on a decision of the Court rendered in a nonprecedential opinion or order.

(The decision of the Court is referenced in a "Table of Decisions Without Reported Opinions" appearing in the Federal Reporter.)

SUNBURST PRODUCTS, INC. d/b/a Freestyle U.S.A., Plaintiff/Cross-Appellant,

v.

CYRK INTERNATIONAL, Defendant-Appellant,

and

Prosperous Enterprises (Taiwan Ltd.,), Ever Win Bags Co. Ltd. and Glorrieux Industrial Ltd., Defendants.

Nos. 95-1091, 95-1104.

United States Court of Appeals, Federal Circuit.
Sept. 30, 1996.

C.D.Cal.
REVERSED.

Before ARCHER, Chief Judge, NIES*, Senior Circuit Judge, and LOURIE, Circuit Judge.

PER CURIAM.

This appeal concerns the protection of a design of a waist pouch or pack of the type worn by hikers and skiers. Sunburst Products, Inc. (Sunburst) sued Cyrk International (Cyrk) and its foreign suppliers[1] in the United States District Court for the Central District of California (Civil Action No. CV-93- 6007), alleging that Cyrk's waist pack design constituted (1) infringement of U.S. Patent No. Des. 334,471, (2) use of a false designation of origin in violation of section 43(a) of the Lanham Act (codified at 15 U.S.C. § 1125(a) 1994)), and (3) unfair competition under the California Code and common law. Following a jury trial, judgment was entered by the court for Sunburst upon the return of a special verdict favorable to Sunburst. The court awarded damages in the amount of $400,000 in accordance with the jury's verdict and issued a permanent injunction against Cyrk. Cyrk seeks to have the judgment reversed. Sunburst cross appeals, claiming entitlement to additional damages and attorney fees. We agree with Cyrk that the judgment against it cannot stand as a matter of law. Sunburst's cross-appeal is dismissed as moot

---

1. The foreign suppliers were added by an amended complaint in March 1994.

I.

BACKGROUND

Cyrk was selected by Philip Morris, Inc. ("PM") in the spring of 1992 to supply a variety of products for a Marlboro cigarette promotional campaign. Proof of purchase certifications on Marlboro cigarette packs could be redeemed for the products. The catalog offered products such as T-shirts, a key chain, a lighter, and a waist pack. All of the items offered were put out in the "Marlboro red" color and bore the Marlboro mark and logo.

It is undisputed that PM gave Cyrk a waist pack sold by Sunburst under its mark REAR GEAR as a sample of what it wanted for the Marlboro promotion. The Sunburst waist pack included a kidney-shaped water bottle. In response to Cyrk's concerns about possible proprietary rights in the REAR GEAR waist pack design or the kidney-shaped water bottle, PM's patent counsel investigated and reported that neither the waist pack nor the water bottle had been patented as of July 17, 1992. Cyrk then proceeded to obtain and supply PM with the promotional waist packs.

Sunburst first sued PM, a suit which was settled for $520,000. Sunburst then filed suit against Cyrk. The court dismissed Sunburst's claim for patent infringement on Cyrk's motion for Plastic judgment because all of the allegedly infringing conduct occurred before the issuance of Sunburst's design patent on April 6, 1993.

The ensuing trial was to a jury on the remaining counts under the Lanham Act, 15 U.S.C. § 1125, and state law[2]. At the close of all the evidence, Cyrk moved for judgment as a matter of law (JMOL) under Rule 50. Fed.R.Civ.P. 50. The trial judge sent the case to the jury without acting on the motion. In its special verdict, the jury found that the REAR GEAR waist pack design was inherently distinctive and nonfunctional; that the MARLBORO waist pack was likely to cause confusion with the REAR GEAR waist pack; but that Cyrk did not intend to pass off the MARLBORO waist pack as the Sunburst product. The jury fixed damages at $400,000 after deducting the $520,000 paid by PM. After return of the verdict, Cyrk renewed its motion for JMOL. On October 18, 1994, the trial judge accepted the jury's findings and entered judgment against Cyrk in accordance with Rule 58. Fed.R.Civ.P. 58. A final judgment was entered on November 17, 1994, terminating the case as to all parties.

II

Sunburst's Motion to Dismiss Cyrk's Appeal

Before reaching the merits, we must address a procedural issue. Sunburst argues that Cyrk's appeal is improper to the extent it challenges the findings in the special verdict because Cyrk failed to file a motion for JMOL following entry of the judgment. Sunburst maintains that Cyrk's appeal must be dismissed or, if allowed, our review is limited to matters of "plain error." According to Sunburst, a renewed motion for JMOL is ineffective under Rule 50(b) if it is filed before final judgment is entered[3]. Cyrk counters that its renewed motion,

---

[2] The parties do not raise the state law claims on appeal.

[3] Both parties argue as if the October 18, 1994 judgment were the final judgment in the case. However, until judgment was entered on November 17, 1994 against the foreign defendants, the

filed after the verdict was returned, is timely, and the court's October 18, 1994 judgment effectively denied its motion. We agree with Cyrk. Rule 50(b)[4] states in pertinent part:

> (b) Renewing Motion for Judgment After Trial; Alternative Motion for New Trial. If, for any reason, the court does not grant a motion for judgment as a matter of law made at the close of all the evidence, the court is considered to have submitted the action to the jury subject to the court's later deciding the legal questions raised by the motion. The movant may renew its request for judgment as a matter of law by filing a motion no later than 10 days after entry of judgment--and may alternatively request a new trial or join a motion for a new trial under Rule 59. In ruling on a renewed motion, the court may:
>
> (1) if a verdict was returned:
>
> (A) allow the judgment to stand,
>
> (B) order a new trial, or
>
> (C) direct entry of judgment as a matter of law; or
>
> (2) if no verdict was returned;

---

judgment was not final for purposes of appeal. See Fed. R. Civ. Pro. 54(b). Indeed, CYRK's notice of appeal filed November 16, 1994 was premature. However, under Rule 4(a)(2) as amended in 1993, Fed. R. App. P. 4, the notice became effective upon entry of the November 17, 1994 judgment.

[4] Although the relevant events transpired in 1994, we refer to the current version of Rule 50(b) of the Rules of Civil Procedure which differs from the 1994 version in only minor respects.

(A) order a new trial, or

(B) direct entry of judgment as a matter of law.

We reject Sunburst's position that Rule 50(b) requires entry of judgment as a condition precedent to the filing of a motion for JMOL. Rule 50(b) has always specifically set only the last date for filing, not the first. Prior to its amendment in 1963, Rule 50 set the time limit for a motion for judgment notwithstanding the verdict (JNOV) at ten days measured from receipt of the verdict, a time which could well precede the judgment. The 1963 amendment to Rule 50 extended the period to not later than ten days after entry of judgment. The 1991 amendment changed the name to "judgment as a matter of law" (JMOL) replacing the use of JNOV. In 1995, while other language changes were made, the rule continued to provide for filing "no later than ten days after entry of the judgment."

With respect to the first date for a Rule 50 motion, a motion for JNOV filed before a verdict was returned would have been a senseless act. One cannot attack a verdict if none was returned. Similarly, the current rules suggest no opening date for such post-trial motion. Logically, the earliest triggering event would be the close of a jury trial related to the issue, a date clearly satisfied in this case. Apart from this consideration, no opening date for filing such motion is implied by the rules. Moreover, the Advisory Committee Notes to the 1995 amendment state that the phrase "no later than" was used so as to include "motions filed before actual entry of the judgment." Thus, the Advisory Committee clearly contemplated such motions could be made before judgment.

In sum, we conclude that a renewed Rule 50(b) motion may be made prior to entry of the final judgment. Cyrk's renewed motion for JMOL, filed after the verdict was returned, was timely and preserved for review the issue of the sufficiency

of the evidence to support each finding in the special verdict[5].

III.

DISTINCTIVENESS OF REAR GEAR PACK

If the mere copying of another's product were actionable, Sunburst would clearly prevail in this case. Except for the substitution of the MARLBORO logo for the REAR GEAR mark on the waist pack, the MARLBORO pack duplicates Sunburst's design. But copying a product, even another's original design, is not actionable if that is all that is involved.

The federal statute invoked here is Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), which provides:

> (a) Civil action; any person
>
> (1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, ... which--

---

[5]. Until a timely Rule 50(b) motion is ruled on, the time for appeal does not begin to run. See Fed. R. APP. P. 4(a). However, a post-trial motion filed prejudgment may be ruled on prejudgment or post-judgment or by the judgment itself. See, e.g., *Mosier v. Federal Reserve Bank of New York*, 132 F.2d 710, 712 (C.C.A.2 1942) (prejudgment motion for rehearing ruled on prejudgment); *Calculators Hawaii, Inc. v. Brandt, Inc.*, 724 F.2d 1332, 1335 (9th Cir. 1983) (prejudgment Rule 52 motion ruled on post- judgment); *Dunn v. Truck World, Inc.*, 929 F.2d 311, 313 (7th Cir.1991) (prejudgment Rule 59 motion ruled on by judgment itself). In this case, the parties do not dispute that the judgment of October 18, 1994 denied all motions. Thus, the November judgment was final for purposes of appeal, and this court has jurisdiction

> (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person.. .....
>
> shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

The purpose of this statute is not to prevent copying product shapes but to protect a means of identification of the source of a product or service from use by another which creates a likelihood of confusion as to the source of the latter's product or service. In the words of the statute, the act imposes liability for the use of "a false designation of origin." Section 43(a) protects conventional designations of origins such as words, symbols, and devices used as trademarks or service marks.

Section 43(a) of the Lanham Act has also been interpreted to protect the distinctive trade dress of a product or service as a designation of origin and the use of the same or similar trade dress by a competitor may be a false designation. Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992). In Two Pesos, the Supreme Court protected the "trade dress" of a restaurant--namely, its decor and ambiance--with the following explanation:

> The general rule regarding distinctiveness is clear: An identifying mark is distinctive and capable of being protected if it either (1) is inherently distinctive or (2) has acquired distinctiveness through secondary meaning. Id. at 769. Likewise, under Ninth Circuit precedent, which applies here, Lanham Act section 43(a) protection is available for a product design as a trade dress if the design is either inherently

distinctive or has acquired secondary meaning. International Jensen, Inc. v. Metrosound USA, Inc., 4 F.3d 819, 822-23, 28 U.S.P.Q.2d 1287, 1289 (9th Cir.1993).

The finding of trade dress infringement in this case is based on the jury's specific finding that the Sunburst waist pack design was an inherently distinctive trade dress[6]. Neither party directly challenges the law as set forth in the following jury instruction:

> A trade dress is inherently distinctive if its design, shape or combination of elements is so unique, unusual or unexpected in its market that one can assume without proof that it could automatically be perceived by customers as an indication of origin. Factors to be considered in determining whether a trade dress is inherently distinctive include whether the trade dress is a common basic shape or design, whether it is unique or unusual in a particular field, and whether it is a mere refinement of a commonly adopted and well known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods.

Indeed, this instruction is supported by the Court of Customs and Patent Appeals' decision in *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, 568 F.2d 1342, 1344, 196 U.S.P.Q. 289, 291 (CCPA 1977), which articulated similar factors to be considered in determining whether a design is inherently distinctive of source. Moreover, this instruction is consistent

---

[6] We need not consider whether the waist pack design had acquired secondary meaning and distinctiveness based on secondary meaning. The jury did not reach this question and remand on this issue has not been sought on appeal

with Ninth Circuit precedent which requires, without delineating specific factors to be considered, that an inherently distinctive design identify the particular source of the products and distinguish it from other products. *International Jensen*, 4 F.3d at 824, 28 U.S.P.Q.2d at 1291.

Sunburst argues that the kidney shape of the REAR GEAR pouch and water bottle were "uncommon"; that double accent stitching and the quilt-like appearance were "unusual"; and that the placement of pockets, zipper pulls, belts, fabric, and buckles created a look which set Sunburst's waist pack apart in the marketplace. It also argues that its designers intended to create a design different from others on the market. Thus, Sunburst argues that the jury's finding was correct.

In contrast, Cyrk argues that the design is not "so unique, unusual or unexpected" that one can assume that the design would immediately indicate the source of the goods to consumers. Further, Cyrk argues that Sunburst failed in its offer of proof in that Sunburst presented no meaningful comparison with other products on the market or other evidence that consumers would recognize the design as an identification of source. On these points we agree with Cyrk.

To be inherently distinctive a product design must be more than novel, i.e., the first with the particular features arranged in a particular way. If novelty were the sole requirement, every new design of any product would be ipso facto protectable. What is necessary is that the design must intrinsically identify the particular source of the products. Two Pesos, 505 U.S. at 768 (stating that inherently distinctive marks identify a particular source of a product by their intrinsic nature); *International Jensen*, 4 F.3d at 824, 28 U.S.P.Q.2d at 1291; *see also Duraco Prods. Inc. v. Joy Plastic Enters. Ltd.*, 40 F.3d 1431, 1448, 32 U.S.P.Q.2d 1724, 1738 (3d Cir.1994) (explaining that to be inherently distinctive and subject to protection under the Lanham Act, a product configuration "must be (I) unusual

and memorable; (ii) conceptually separable from the product; and (iii) likely to serve primarily as a designator of origin of the product"). If the design is not so distinct as to indicate its origin, copying of that design cannot cause confusion as to origin. This is explained in the RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16, cmt. b (1995):

> b. Distinctiveness. The freedom to copy product and packaging features is limited by the law of trademarks only when the copying is likely to confuse prospective purchasers as to the source or sponsorship of goods or services. The imitation or even complete duplication of another's product or packaging will not create a risk of confusion unless some aspect of the duplicated appearance is identified with a particular source. Thus, unless a feature is distinctive ..., it is ineligible for protection as a trademark. A further restriction ... prohibits protection for functional features.... Rigorous application of the requirements of distinctiveness and nonfunctionality is necessary in order to avoid undermining the carefully circumscribed statutory regimes for the protection of useful and ornamental designs under federal patent and copyright law.

In this case, the REAR GEAR pack is an attractive, overall user-friendly design and certain features may even be memorable. However, the features, such as the kidney-shaped bottle and two zippered front compartments, are not protectable if they are merely seen to create a type of desirable product.

Here, Sunburst presented no evidence that its design or features would inherently identify it as the source of the goods. Although there was evidence to show that its design or features may have been unique or unusual in this field, Sunburst failed to

link this evidence to identification of source. It only submitted evidence that two salesmen of Sunburst packs questioned its management as to whether Sunburst made the MARLBORO packs. Their testimony is neither representative of consumers nor probative of source identification. Thus, the design was not proved to be inherently distinctive by this evidence. Likewise, Sunburst failed to present relevant evidence concerning any of the other factors identified in Seabrook and the jury instruction. As a result, the jury's finding that the Sunburst design was inherently distinctive is not supported by substantial evidence and the district court erred in not granting Cyrk's motion for judgment as a matter of law.

Because our resolution of this issue against Sunburst completely disposes of the issue of Cyrk's liability, we need not consider the asserted functionality of the design.

IV.

CONCLUSION

The judgment of the district court awarding damages and granting an injunction against Cyrk is reversed.

REVERSED

APPENDIX C

FILED
NOV 16 1994
CLERK U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SUNBURST PRODUCTS, INC. dba FREESTYLE U.S.A., a California corporation, Plaintiff, v. CYRK INTERNATIONAL, a corporation organized under the laws of an unknown state, Defendant.	)))))))))))	Case No. 93 6007 INC. etc. JUDGMENT AGAINST PROSPEROUS ENTERPRISES (TAIWAN), LTD., EVER WIN BAGS CO. AND GLORIEUX INDUSTRIAL LTD.

Judgment is hereby entered in favor of plaintiff Sunburst Products, Inc. and against defendants, Prosperous Enterprises (Taiwan) Ltd., Ever Win Bags Co., and Glorieux Industrial Ltd., jointly and severally, in the principal amount of $400,000 plus costs of $10,500 for a total of $410,500. This judgment is joint and several as to these defendants and CYRK International against whom a separate judgment with an injunction has been entered, with any satisfaction of

judgment to be applied pro tanto to reduce the liability of the other judgment debtors.

IT IS SO ORDERED.

Date: 11-16-94 /s/ Harry L. Hupp
Honorable Harry L. Hupp
United States District Court Judge

Submitted by:

SHELDON & MAK

By:_____
Howard L. Hoffenberg
Attorneys for Plaintiff
SUNBURST PRODUCTS, INC.
dba FREESTYLE U.S.A.

Dated: Nov 14, 1994

APPENDIX D

FILED
OCT 17 1994
CLERK U.S.DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

ENTERED
CLERK, U.S. DISTRICT COURT
OCT 18, 194
CENTRAL DISTRICT OF CALIFORNIA
BY CLERK

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SUNBURST PRODUCTS, INC. dba FREESTYLE U.S.A., a California corporation, Plaintiff, v. CYRK INTERNATIONAL, a corporation organized under the laws of an unknown state, Defendants.	) Case No. 93 6007) HLH (SHx))~~[Proposed Form of]~~) JUDGMENT ON) SPECIAL)VERDICT)AGAINST CYRK)INTERNATIONAL))TRIAL) Date: August 2, 1994) Time: 8:00 a.m.)Place: Crt 7 -- The)Hon. Harry L. Hupp

Pursuant to Federal Rules of Civil Procedure 49 and 58, this Court renders judgment in favor of plaintiff, Sunburst Products, Inc. d/b/a Freestyle U.S.A., against Defendant, CYRK International a/k/a CYRK, Inc. a/k/a CYRK

International, Inc., on the juries special verdict as stated herein:

THE JURY'S FINDINGS

The jury finds that:

1. The trade dress of plaintiff's Rear Gear brand waist pack was and is inherently distinctive.

2. The trade dress of plaintiff's Rear-Gear brand waist pack was not and is not functional.

3. The Marlboro Adventure Team waist pack was and is likely to cause confusion, mistake, or deception by substantial numbers of the buying public as to whether the product is Rear-Gear brand waist pack.

4. The infringement of plaintiff's trade dress rights was not done by CYRK with intent to pass off the Marlboro Adventure Team waist pack as a Rear-Gear brand waist pack.

5. The amount of $400,000 is awardable to plaintiff as damages as a result of the manufacture and distribution of the Marlboro Adventure Team waist pack after deducting a set-off of $520,000 for moneys paid by Philip Morris in settlement of plaintiff's claims of infringement from the Marlboro Adventure Team waist pack.

~~THE COURT'S FINDINGS OF FACT~~

~~In a separate document, the court has made findings of fact regarding equitable issues.~~

JUDGMENT AND ORDER

Now, therefore, judgment is entered in favor of plaintiff, Sunburst Products, Inc., and against defendant, CYRK International a/k/a CYRK, Inc. a/k/a CYRK International, Inc. as follows:

1. Sunburst shall recover from CYRK, monetary damages in the amount of $400,000 (being the net amount awarded by the jury after set off) ~~and the sum of $264,615 representing CYRK's additional profits pursuant to order of this court;~~

~~2. Sunburst shall recover from CYRK, prejudgment Interest at the prevailing rate from the dates of infringement by CYRK to Philip Morris;~~

3. Pursuant to 15 U.S.C. § 1116, defendants, and each of them, and their officers, agents, servants, employees and attorneys, and all persons that act in concert or participation with defendants who receive actual notice of this Judgment and Order by personal service or otherwise, are immediately and permanently enjoined and restrained from directly or indirect making, having made, advertising, promoting, importing, distributing, offering to sell or selling a pouch and bottle together, or separately, having the trade dress illustrated in Exhibits A and B attached hereto, and any colorable imitations, confusingly similar imitations to the waist packs illustrated in Exhibits A or B (hereafter "infringing goods").

~~4. Sunburst shall recover from CYRK, attorneys fees in an amount to be determined by motion.~~

5. Sunburst shall recover from CYRK costs in ~~an amount to be taxed~~ **the sum of $**_____.

JUDGMENT IS SO RENDERED.

Date: 10-17-94 /s/ HARRY L. HUPP

Honorable Harry L. Hupp
United States District Court

Submitted by:
SHELDON & MAK

By: /s/ Howard L. Hoffenberg
Howard L. Hoffenberg
Attorneys for Plaintiff
SUNBURST PRODUCTS, INC.
dba FREESTYLE U.S.A.

Date: Oct. 4, 1994

ATTACHMENTS ARE LODGED UNDER SEPARATE COVER

APPENDIX E

STATUTORY PROVISION INVOLVED

The United States statutory provision involved is 15 U.S.C. § 1125(a), 43(a) of the Lanham Act, which provides:

(a) Civil action; any person

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol or device, or any combination thereof, or any false designation of origin . . . which --

(A) is likely to cause confusion, or to cause mistake or to deceive as to the affiliation, connection or association of such person with another person or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . .

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.